

Message Text

UNCLASSIFIED

PAGE 01 LAGOS 08603 021255Z
ACTION AF-10

INFO OCT-01 ISO-00 EB-08 /019 W
-----043271 021921Z /46

R 020745Z JUL 77
FM AMEMBASSY LAGOS
TO USDOC WASHDC
HUD WASHDC
INFO SECSTATE WASHDC 2636
AMCONSUL IBADAN
AMCONSUL KADUNA

UNCLAS LAGOS 8603

USDOC FOR OPIOS

HUD FORSA. ANDREWS

E.O. 11652: N/A
TAGS: BENC, BTIO, SOCI, NI
SUBJECT: HOUSING AUTHORITY SEEKS INDUSTRIAL SYSTEMS OR PARTNERS

REF: USDOC 9248 AND PREVIOUS

SUMMARY: FHA GROUP COMMENCING OVERSEAS VISITS TO INTERESTED FIRMS WITH EUROPEAN VISIT AUGUST 21 - SEPTEMBER 12. U.S. VISIT IN OCTOBER. BEFORE AUGUST 21 FHA DESIRES ASCERTAIN WHICH U.S. FIRMS INTERESTED. HAS PROVIDED RESPONSES QUESTIONS CONTAINED REFTEL.

1. MR. T.A. J. OLUWOLE, ASSISTANT DIRECTOR CIVIL ENGINEERING, FEDERAL HOUSING AUTHORITY (FHA), HAS VERY TENTATIVELY SHORTLISTED FOUR FIRMS FHA WOULD LIKE TO VISIT IN U.S., PROVIDING THEY ARE INTERESTED AND IN FACT HAVE CHARACTERISTICS FHA SEEKS. MOST IMPORTANT REQUIREMENT IS USE IN BUILDING SYSTEM OF MATERIALS AVAILABLE WITHIN NIGERIA, MAINLY CONCRETE. METAL AND WOOD SYSTEMS NOT REPEAT NOT DESIRED.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LAGOS 08603 021255Z

2. SHORTLISTED FIRMS, DRAWN FROM REFTEL, ARE:

A) PANELFAB INTERNATIONAL CORPORATION (PROVIDED SYSTEM IS NOT TIMBER OR STEEL):

B) HOMETECH MODULAR HOUSING SYSTEMS:

C) INTERNATIONAL CONSTRUCTION CORPORATION LEVITT INDUSTRIES
(CONTACT IS EXECUTIVE VP GREEN):

D) STARCRETE INTERNATIONAL INC.
OLUWOLE HAS WRITTEN THEM BUT AS YET HAS HAD NO REPLIES AND ASKS
US TO FOLLOW UP.

3. IN RESPONSE POINTS CONTAINED REFTEL, OLUWOLE SUBMITTED DETAILED
EXPLANATION SUMMARIZED AS FOLLOWS:

A) FMG COMMITTED TO ERECTING 200,000 HOUSING UNITS THROUGHOUT
NIGERIA BEFORE END OF 1980, WITH INFRASTRUCTURE AND SOCIAL SERVICES.
TRADITIONAL METHODS TAKE TOO MUCH TIME AND MANPOWER, HENCE FHA
HAS DECIDED ON BOTH IN-SITU SYSTEM BUILDINGS AND FACTORY-MANUFACTURED
PRODUCTS. ALSO DESIRES CONSTRUCTION UNIT TO MONITOR PRICES AND
CONDUCT RESEARCH IN LO-COST HOUSES.

B) FHA UNINTERESTED IN PURCHASING PILOT HOUSES.

C) TYPES OF HOUSING ENVISIONED ARE BUNGALOWS, TWO-STORY
DETACHED, SEMI-DETACHED AND TERRACE HOUSES AND APARTMENT BLOCKS
UP TO FOUR STORIES HIGH, ALL IN BOTH URBAN AND RURAL AREAS.
PREFER SYSTEMS USING LOCAL MATERIALS AND, QUOTE AT THE MOMENT,
CONCRETE IS ABOUT THE ONLY SYSTEM THAT IS ACCEPTABLE UNQUOTE,
ALTHOUGH RESEARCH UNIT WOULD INVESTIGATE LATERITE AND OTHER MATERIALS
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LAGOS 08603 021255Z

M

D) SYSTEM MUST BE FLEXIBLE BECAUSE BUILDING PROGRAM COVERS
ALL 19 STATES WITH DIFFERING REGIONAL, TRADITIONAL OR, OCCASIONALLY,
RELIGIOUS CHARACTERISTICS. TAKING ACCOUNT OF TRANSPORTATION FACTOR,
IDEAL FIRM SHOULD HAVE BOTH FACTORY AND ON-SITE CAP
ILITY.

E) COMPANY SHOULD BE CAPABLE OF COMPLETING AT LEAST 500
UNITS AND, HOPEFULLY, ALL INFRASTRUCTURE, WITHIN 12 MONTHS FOR
ANY SINGLE PROJECT. ANNUAL TURNOVER ESTIMATED AT DOLLARS 30 MILLION
ON UP. OLUWOLE SAID FIRMS WITH INFRASTRUCTURE CAPABILITY MORE
ATTRACTIVE THAN FIRMS WITHOUT IT; EMBOFF SAID LATTER COULD FORM
CONSORTIA TO INCLUDE INFRASTRUCTRE.

4. OLUWOLE ALSO GAVE DETAILS ON TWO ALTERNATIVE ARRANGEMENTS:

A) CONSTRUCTION UNIT: FOREIGN FIRM BECOMES INTEGRAL PART
OF FHA AND LIMITED TO FHA PROJECTS. INVOLVED IN SYSTEM BUILDING
ALONE UNLESS INVITED INTO RESEARCH. FIRM WOULD PROVIDE AND GUARANTEE
SYSTEM, AVAILABILITY OF FORMS AND MATERIALS NOT AVAILABLE LOCALLY.
PROVIDE PROFESSIONAL SERVICES IN MODIFYING DESIGNS AND TRAIN FHA

STAFF IN DESIGN OF THE SYSTEM. PROVIDE EXPERIENCED CONSTRUCTION SUPERVISORS WHO WOULD TRAIN NIGERIANS TO USE SYSTEM AND FHA TECHNICIANS TO SUPERVISE. INVOLVED IN COSTING PROJECTS AND TRAINING NIGERIANS IN COSTING PRODUCTS OF THE SYSTEM. WOULD TRAIN PROFESSIONAL AND OTHER TECHNICAL STAFF BOTH IN NIGERIA AND IN U.S. FEE AND ROYALTY NEGOTIATIONS WOULD BE BASED ON FOREGOING, WOULD ASSUME REPETITIVE USE OF SOME DESIGNS AND POSSIBILITY FULL NIGERIANIZATION WITHIN FIVE YEARS.

B) CONSTRUCTION COMPANY: OWNERSHIP AT LEAST 60 PERCENT FHA, 40 PERCENT PARTICIPATING COMPANY OR COMPANIES. REGISTERED AND OPERATES AS NIGERIAN COMPANY WITHIN OR WITHOUT NIGERIA. HANDLE BUILDINGS AND INFRASTRUCTURE AS BOARD OF DIRECTORS DIRECTS. UNCLASSIFIED

UNCLASSIFIED

PAGE 04 LAGOS 08603 021255Z

SHARE CAPITAL DETERMINED BY STEERING COMMITTEE BASED ON MINIMAL ANNUAL EXPENDITURE OF AT LEAST DOLLARS 30 MILLION. CAPITAL PAID UP IN NIGERIA. COMPANY FREE TO TENDER FOR FHA AND NON-FHA JOBS WITH POSSIBILITY OF NEGOTIATING WITH FHA WHEN TENDERS TOO HIGH. FOREIGN PARTNER TO PROVIDE STAFF AS NECESSARY WHILE RECRUITING LOCAL STAFF AND TRAINING SOME IN PARTNERS HEAD OFFICE. IF NIGERIAN IS GENERAL MANAGER HE SHOULD HAVE ORIENTATION DUTY IN PARTNERS HOME OFFICE. COMPANY WOULD FOLLOW NIGERIANIZATION POLICY. WOULD JOIN FHA IN RESEARCH PROJECTS. SUBJECT TO NIGERIAN TAX AND FOREIGN EXCHANGE LAWS.

C) ALL FOREGOING ARE GENERAL AND SUBJECT NEGOTIATION.

5. ACTION REQUESTED: NIGERIAN GROUP DESIRES VISIT FOUR OR FIVE QUALIFIED AMERICAN FIRMS WHO ARE INTERESTED IN NEGOTIATING ALONG ABOVE LINES. WANTS NAMES NO LATER THAN AUG. 21. PLEASE CONTACT FOUR SHORTLISTED FIRMS TO DETERMINE WHETHER THEY INTERESTED AND HAVE ACCEPTABLE SYSTEMS (NEITHER METAL NOR WOOD). IF SOME ELIMINATE THEMSELVES PLEASE CONTACT AS MANY AS NECESSARY TO BRING TOTAL TO FIVE, HOWEVER, BEAR IN MIND THAT FHA DOES NOT REPEAT NOT WANT FIRMS ALREADY ESTABLISHED IN NIGERIA. EMBASSY SENT OLUWOLE COPY OF ARTICLE ON INTERNATIONAL HOUSING LTD. CON-TECH SYSTEM FROM JUNE ISSUE WEST AFRICAN TECHNICAL REVIEW (PUBLISHED LONDON) AND SUGGESTS CONTACTING FIRM IF IT NOT ALREADY IN NIGERIA.

6. DURING U.S. VISIT FHA GROUP WOULD LIKE CALL ON HUD FOR PROFESSIONAL DISCUSSIONS. WYMAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: HOUSING, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LAGOS08603
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770276-0919
Format: TEL
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770795/aaaadevi.tel
Line Count: 166
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9ddcf071-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1977077
Secure: OPEN
Status: NATIVE
Subject: HOUSING AUTHORITY SEEKS INDUSTRIAL SYSTEMS OR PARTNERS
TAGS: BENC, BTIO, SOCI, OTRA, NI, FHA
To: COM HUD
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/9ddcf071-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009